

REMARKS/ARGUMENTS

Claims 1-41 are pending in the present application. No claims were canceled; claims 1-4, 8, 16, 25, 26, 32-41 were amended; and no claims were added. Support for the amendments may be found in the Specification at least on pages 11, lines 11-15, page 12, lines 4-9, page 15, lines 15-18, page 18, lines 1-3, page 24, lines 7-9, and page 9, lines 9-30, page 21, lines 11-30, and Figure 4, items 406-410. Reconsideration of the claims is respectfully requested.

I. 35 U.S.C. § 102, Anticipation

The Examiner has rejected claims 1, 25 and 32 under 35 U.S.C. § 102(b) as being anticipated by *Himmelstein, Electronic Bartering System*, U.S. Patent No. 7,080,050, dated July 18, 2006 (hereinafter referred to as "*Himmelstein*"). This rejection is respectfully traversed.

The Examiner states:

In reference to claims 1, 25 and 32, *Himmelstein* discloses a method, system and apparatus for a bartering system including:
a. receiving a needs list having at least one needed item a user desires to acquire; receiving a priority indication for at least one of i) each of the at least one needed item, and ii) each group of at least one item (col. 2, line 26+; col. 3, line 42+; col. 4, line 26+; col. 5, line 26+; col. 6, line 53+; col. 7, line 1+; col. 16, line 34+; col. 17-18; figure 6);
b. constructing the needs list with the priority indication into a barter protocol language (abstract; col. 2, line 26+; col. 3, line 42+; col. 4, line 26+); and
c. searching available items for a match with each of the at least one needed item based upon the priority indication wherein higher priority indicated needed items are attempted to be matched before lower priority indicated needed items (abstract; col. 2, line 26+; col. 3, line 42+; col. 4, line 26+).

Office Action dated April 10, 2007, pages 2-3.

A prior art reference anticipates the claimed invention under 35 U.S.C. § 102 only if every element of a claimed invention is identically shown in that single reference, arranged as they are in the claims. *In re Bond*, 910 F.2d 831, 832, 15 U.S.P.Q.2d 1566, 1567 (Fed. Cir. 1990). All limitations of the claimed invention must be considered when determining patentability. *In re Lowry*, 32 F.3d 1579, 1582, 32 U.S.P.Q.2d 1031, 1034 (Fed. Cir. 1994). Anticipation focuses on whether a claim reads on the product or process a prior art reference discloses, not on what the reference broadly teaches. *Kalman v. Kimberly-Clark Corp.*, 713 F.2d 760, 218 U.S.P.Q. 781 (Fed. Cir. 1983). In this case, *Himmelstein* does not identically show each and every feature of the amended claims.

Amended independent claim 1 recites:

- I. A method for carrying out a bartering system over a network, comprising:
receiving a needs list having at least one needed item a user desires to acquire;
receiving a priority indication for the at least one needed item, wherein the priority indication indicates a level of desire the user has in acquiring the at least one needed item, and wherein the priority indication indicates items that are equivalent to the at least one needed item;
constructing the needs list with the priority indication into a barter protocol language; and
searching available items for a match with each of the at least one needed item based upon the priority indication wherein an item having a lower priority indication is matched as being equivalent to the at least one needed item only if an item having a higher priority is not found.

Independent claims 25 and 32 recite similar subject matter. *Himmelstein* fails to teach “receiving a priority indication for the at least one needed item, constructing the needs list with the priority indication into a barter protocol language; and searching available items for a match with each of the at least one needed item based upon the priority indication wherein an item having a lower priority indication is matched as being equivalent to the at least one needed item only if an item having a higher priority is not found,” as is claimed in claim 1.

1. Receiving a priority indication.

Himmelstein does not teach or disclose “receiving a priority indication for the at least one needed item, wherein the priority indication indicates a level of desire the user has in acquiring the at least one needed item, and wherein the priority indication indicates items that are equivalent to the at least one needed item.”

Himmelstein teaches as follows:

Regardless of the items bartered, the barter website 106 comprises three main components: a barter ordering module 105, a posted barter order database module 117 and a barter matching engine 118.

Himmelstein, col. 5, line 26-29.

Here, *Himmelstein* discloses a barter ordering module for a database for storing posted barter orders and a barter matching engine. *Himmelstein* does not teach or even mention a priority indication, indicating a level of desire the user has in acquiring the needed item, or indicating items that are equivalent to a needed item in this or any other section of the reference. In contradistinction, the presently claimed invention in claim 1 recites a priority indication that indicates items that are equivalent to the at least one needed item and indicating a level of desire the user has in acquiring the needed item.

This feature is not taught in this or any other section of the reference. Therefore *Himmelstein* does not anticipate the claimed invention.

2. Constructing the needs list with the priority indication into a barter protocol language.

Moreover, *Himmelstein* does not disclose “constructing the needs list with the priority indication into a barter protocol language,” as is recited in independent claim 1. The Examiner believes this feature is taught by *Himmelstein* at col. 4, line 26+ which includes a reference to FIGURE 1. Figure 1 illustrates as follows:

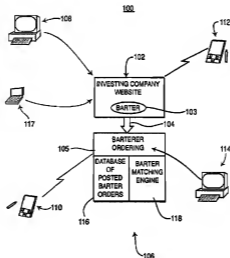


FIG. 1

Here, *Himmelstein* illustrates that a reference sets up a barter matching engine using a database of posted barter orders. *Himmelstein* states:

Referring to FIG. 1, an exemplary barter system 100 is illustrated which utilizes a computer-based website that may effectuate a tax-free exchange or tax deferred exchange for swapping barter items. Barter items are defined including, but not limited to, stock, cash (foreign or domestic currencies), web barter dollars, *Himmelstein* Options, CD's, bonds, notes, Option Put, Option Call, Commodities/Futures, Annuities, Muni Bond(s), Government Bonds, Funds, Strips (Zero Coupon Treasuries), Ginnie Mae(s), Fannie Mae(s), Freddie Mae(s), UIT (Unit Investment Trust), T-bills and any future created or defined security, commodity or commodity money. Bartering different categories of items is supported by the system 100. For example, stocks can be bartered for bonds. The system 100 provides for its own "web-barter dollars" which may be accumulated or

traded by barterers using the system 100 and are particularly useful in facilitating barterers where items of unequal value are traded.

Himmelstein, column 4, lines 26-45.

As shown above, *Himmelstein* barterers different categories of items, such as stocks that can be bartered for bonds. *Himmelstein* matches a first class of items to be bartered with a second class of items to be acquired. *Himmelstein* states:

A bartering system implements barterers between a plurality of parties each having one or more classes of items available for barter. Preferably, barter orders are created by designating a selected quantity of a first class of items to be bartered, designating a date range for transferring title of the first class items to be bartered, designating a barter value of the first class of items to be bartered, and designating a second class of items to be acquired. Barter orders are posted via the Internet to a barter database and may be displayed via the Internet. Posted barter orders whose first class of items match the second class of items of a barterer's order are preferably displayed. Posted barter orders from the display are selected to effectuate a barter transaction which combines a barterer's barter order with the selected posted order(s).

Himmelstein, abstract.

In this section, *Himmelstein* discloses that barter orders whose first class of items match the second class of items of a barterer's order are displayed. *Himmelstein* does not provide any additional detail regarding the match process. Moreover, *Himmelstein* does not teach a priority indication indicating a level of desire a user has in acquiring a needed item, indicating items that are equivalent to the needed item, or constructing a needs list with the priority indication into a barter protocol language. In fact, *Himmelstein* does not even mention a barter protocol language in this or any other section of the cited reference. Thus, *Himmelstein* fails to disclose "constructing the needs list with the priority indication into a barter protocol language," as is claimed in claim 1.

3. Searching available items for a match.

Himmelstein does not teach or disclose "searching available items for a match with each of the at least one needed item based upon the priority indication wherein an item having a lower priority indication is matched as being equivalent to the at least one needed item only if an item having a higher priority is not found." The Examiner believes this feature is taught by *Himmelstein* at the abstract, which is shown above. The cited portion of *Himmelstein* merely teaches that the bartering system will be implemented through a simple matching process based on the class of items, such as securities, to be bartered. *Himmelstein* does not teach using a priority indication or any other indicator for searching available items or matching an item having a lower priority only if an item having a higher priority is not found. Moreover, *Himmelstein* does not implement a match for the barterer by using a priority indication or any other indicator. In contradistinction, the presently claimed invention in independent 1 claims

“searching available items for a match with each of the at least one needed item based upon the priority indication wherein an item having a lower priority indication is matched as being equivalent to the at least one needed item only if an item having a higher priority is not found.”

Thus, *Himmelstein* fails to teach each and every feature of independent claim 1. In addition, independent claims 25 and 32 recite similar features discussed above with regard to claim 1 and are distinguishable over *Himmelstein* for at least the reasons set forth above with regard to the similar subject matter. In addition, claim 25 recites “means for specifying a range of near equivalency associated with a plurality of dissimilar items to form near equivalent items, wherein the near equivalent items are items that are dissimilar to the at least one needed item, and wherein each near equivalent item has an associated priority indication indicating a user’s desire to accept a given near equivalent item in lieu of a given needed item if a match for the given needed item cannot be found.” As discussed above, *Himmelstein* only teaches a match between a first class of items to be bartered and a second class of items to be acquired. *Himmelstein* does not teach or even mention **a range of near equivalency associated with a plurality of dissimilar items that are dissimilar to the at least one needed item**. Therefore, *Himmelstein* fails to disclose each and every feature of claim 25.

Dependent claims 2-24, 26-31, and 33-40 are dependent on independent claims 1, 25, and 32. Therefore, at least by virtue of their dependency on claims 1, 25, and 32, dependent claims 2-24, 26-31, and 33-40 are not anticipated by *Himmelstein*. In addition, dependent claims 2-24, 26, 40 recite additional combinations of features not taught by the cited art. For example, dependent claim 2 recites “wherein the bartering protocol language specifies a range of near equivalency associated with a plurality of dissimilar items to form near equivalent items, wherein the near equivalent items are dissimilar to the at least one needed item, and wherein the priority indication indicates whether a near equivalent item will be satisfactory to the user in lieu of the at least one needed item.” As discussed above with regard to claim 25, *Himmelstein* does not teach or even mention **a range of near equivalency associated with a plurality of dissimilar items** or a priority indication indicates whether **a near equivalent item will be satisfactory** to the user in lieu of the at least one needed item. Thus, *Himmelstein* fails to disclose the features of claim 2.

Regarding dependent claim 3 recites “searching available items is performed first within a same bartering system and performed second across a different bartering system if no match is found during the search within the same bartering system.” *Himmelstein* does not teach or even mention two different bartering systems or performing a search across the different bartering systems. Therefore, *Himmelstein* fails to teach each and every feature of claim 3.

Additionally, dependent claim 8 recites, “wherein the barter protocol language specifies the equivalence and near equivalency between the at least one needed item and the available items that will

be satisfactory to the user.” As discussed above, *Himmelstein* does teach a barter protocol language or **degrees of equivalency** between items that is satisfactory to the user. Therefore, *Himmelstein* fails to teach the features of claim 8.

Therefore, the rejection of claims 1-40 under 35 U.S.C. § 102(b) has been overcome. Furthermore, *Himmelstein* does not teach, suggest, or give any incentive to make the needed changes to reach the presently claimed invention. *Himmelstein* actually teaches away from the presently claimed invention because it teaches a single bartering system, implements barter between a plurality of parties having one or more classes of items available, and matches the first class of items available for barter with a second class of items to be acquired as opposed to a priority indication for at least one needed item that indicates a level of desire the user has in acquiring the item, items that are equivalent to the needed item, and items having a lower priority are matched only if an item having a higher priority is not found, as in the presently claimed invention. Absent the examiner pointing out some teaching or incentive to implement *Himmelstein* and a priority indication, one of ordinary skill in the art would not be led to modify *Himmelstein* to reach the present invention when the reference is examined as a whole. Absent some teaching, suggestion, or incentive to modify *Himmelstein* in this manner, the presently claimed invention can be reached only through an improper use of hindsight using the applicants’ disclosure as a template to make the necessary changes to reach the claimed invention.

II. 35 U.S.C. § 103, Obviousness

The Examiner has rejected claims 4 and 17-20 under 35 U.S.C. § 103(a) as being unpatentable over *Himmelstein* in view of Official Notice. This rejection is respectfully traversed.

The Examiner states:

In reference to claims, 4 and 17-20, Himmelstein discloses a method, system and apparatus for a bartering system as disclosed supra. However, Himmelstein does not disclose:

- d. translating, before the searching is performed across the different bartering system, the needed items to at least one of i) a common barter protocol language, and ii) a different barter protocol language of the different bartering system;**
- e. wherein the barter protocol language is in XML;**
- f. wherein the nonphysical item represents a needed service;**
- g. wherein each of the at least one available item can be at least one of a physical item and a nonphysical item;**
- h. wherein the nonphysical item represents an available service.**

However, the Examiner takes Official Notice that: (1) translation of computer data across systems, (2) use of XML as a protocol language, and (3) auctioning physical and/or non-physical items such as services; are old and well known in the computer/data processing arts and the online commerce and online auction environments. It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to have modified the bartering system of

Himmelstein with the translation, XML protocol language and the different item groups because the processes would make the bartering system more efficient and user-friendly; the modifications would broaden the auction and Create more business.

Office Action dated April 10, 2007, pages 6-7.

The Examiner bears the burden of establishing a *prima facie* case of obviousness based on prior art when rejecting claims under 35 U.S.C. § 103. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The scope and content of the prior art are... determined; differences between the prior art and the claims at issue are... ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or non-obviousness of the subject matter is determined. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. *KSR Int'l. Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007). Rejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988 (CA Fed. 2006)).

Claim 4 is as follows:

4. The method of claim 3 wherein the first bartering system associated with a first barter protocol language and wherein the different bartering system associated with a second barter protocol language and further comprising:
translating, before the searching is performed across the different bartering system, the needs list from the first barter protocol language to a common barter protocol language, wherein the common barter protocol language comprises a representation of the needs list and the availability list that is common to both the first bartering system and the different bartering system.

Applicants first respond to the rejection by showing that the proposed modification of the cited reference, *Himmelstein*, does not teach or suggest all of the features of amended claim 4. Applicants will then show that no proper reason exists to modify the reference to achieve the invention of claim 4.

1. *Himmelstein* fails to teach or suggest each and every feature of claim 4

The Examiner bears the burden of establishing a *prima facie* case of obviousness based on prior art when rejecting claims under 35 U.S.C. § 103. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). Additionally, the prior art reference (or references when combined) must teach or suggest all the claim limitations. *In re Royka*, 490 F.2d 981, 180 USPQ 580 (CCPA 1974). The Examiner failed to state a *prima facie* obviousness rejection against claim 4 because *Kipust*, either alone or in combination, do not teach or suggest all of the features of claim 4. In particular, *Himmelstein* does not teach or suggest

a first bartering protocol system associated with a first barter protocol language and a different barter protocol system associated with a second barter protocol language and translating the needs list from a first barter protocol language to a common barter protocol language, as is claimed in claim 4.

Himmelstein is directed towards a bartering system that implements barter between parties having one or more classes of items available for barter. See *Himmelstein* abstract, quoted above. As shown above, *Himmelstein* selects a quantity of a first class of items to be bartered, designates a date range for transferring title of the first class of items to be bartered, designates a barter value of the first class of items, and designates a second class of items to be acquired. However, *Himmelstein* does not teach or suggest that the parties having one or more classes of items are associated with a first bartering system associated with a first barter protocol language and a second bartering system associated with a second barter protocol language.

Moreover, *Himmelstein* the Examiner acknowledges that *Himmelstein* does not disclose translating, before the searching is performed across the different bartering systems, the needed items to at least one of a common barter protocol language and ii) a different barter protocol language of the different bartering system. The Examiner takes Official Notice that translation of computer data across systems is old and well known in the computer/data processing arts and the online commerce and online auction environments. However, even if, *arguendo*, the translation of computer data across systems is old and well known, it is not old and well known in the art to **translate a needs list from a first barter protocol language to a common barter protocol language that is common to both the first bartering system and the second bartering system**. Moreover, *Himmelstein* also fails to teach, suggest, or even mention translating between multiple bartering systems and/or different barter protocol languages. Therefore, *Himmelstein* cannot teach or suggest each and every feature of dependent claim 4.

2. The Examiner fails to state a sufficient reason to modify the reference

The Examiner bears the burden of establishing a *prima facie* case of obviousness based on prior art when rejecting claims under 35 U.S.C. § 103. *In re Fritch*, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). The scope and content of the prior art are... determined; differences between the prior art and the claims at issue are... ascertained; and the level of ordinary skill in the pertinent art resolved. Against this background the obviousness or non-obviousness of the subject matter is determined. *Graham v. John Deere Co.*, 383 U.S. 1 (1966). Often, it will be necessary for a court to look to interrelated teachings of multiple patents; the effects of demands known to the design community or present in the marketplace; and the background knowledge possessed by a person having ordinary skill in the art, all in order to determine whether there was an apparent reason to combine the known elements in the fashion claimed by the patent at issue. *KSR Int'l. Co. v. Teleflex, Inc.*, No. 04-1350 (U.S. Apr. 30, 2007). Rejections on

obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness. *Id.* (citing *In re Kahn*, 441 F.3d 977, 988 (CA Fed. 2006)).

In the case at hand, no *prima facie* obviousness rejection can be stated because the Examiner failed to state a sufficient reason to modify *Himmelstein* in light of the great differences between *Himmelstein* and claim 4. Specifically, as shown above, *Himmelstein* fails to teach or suggest the features of translating a needs list from a first barter protocol language to a common barter protocol language that is common to a first bartering system and a second bartering system. Because *Himmelstein* fails to teach or suggest at least these features of claim 4, large differences exist between *Himmelstein* and claim 4 under the *Graham v. John Deere Co.* inquiry set forth above.

Furthermore, the Examiner failed to state a sufficient reason to modify *Himmelstein* in light of the large differences that exist between *Himmelstein* and claim 4. The Examiner failed to state a sufficient reason to modify *Himmelstein* because the Examiner's proposed reason for modifying *Himmelstein* provides no rational underpinning to support a legal conclusion of obviousness. Regarding a reason to modify *Himmelstein*, the Examiner states that:

It would have been obvious to one of ordinary skill in the art at the time of the Applicant's invention to have modified the bartering system of *Himmelstein* with the translation, XML protocol language and the different item groups because the processes would make the bartering system more efficient and user-friendly; the modifications would broaden the auction and create more business.

Office Action dated April 10, 2007, page 7.

The Examiner offers an advantage as the stated reason for modifying *Himmelstein* in the manner proposed by the Examiner. Specifically, the Examiner proposes modifying *Himmelstein* because it would make the bartering system more efficient and user-friendly. However, the Examiner fails to provide a sufficient reason to modify *Himmelstein* because the Examiner merely offers a possible advantage for the modification without providing any reason for the modification. In particular, the Examiner does not provide any reason for modifying *Himmelstein* to translate a needs list from a first barter protocol language to a second barter protocol language where *Himmelstein* does not teach or even mention multiple bartering systems or multiple different barter protocol languages. For this reason, the Examiner's reason for modifying *Kipust* provides insufficient basis for modifying *Kipust* in the manner necessary to reach each and every feature of claim 4, especially in the light of the large differences that exist between *Kipust* and claim 4.

Moreover, *Himmelstein* teaches away from the presently claimed invention in claim 4 because *Himmelstein* directs one to create a barter order in a single bartering system rather than searching available items across different bartering systems and translating a needs list from a first barter protocol

language to a common barter protocol language that is common to both the first bartering system and the different bartering system, as in the presently claimed invention in claim 4. Therefore, one of ordinary skill in the art would not have been motivated to modify *Himmelstein* in the manner necessary to reach the invention in claim 4 because *Himmelstein* teaches away from the invention claimed in claim 4. Thus, when all the great differences in the cited art are combined, the cited art provides no teachings or suggestions for a first bartering protocol system associated with a first barter protocol language and a different barter protocol system associated with a second barter protocol language and translating the needs list from a first barter protocol language to a common barter protocol language, as in the presently claimed invention in claim 4. Thus, amended claim 4 is not obvious over *Himmelstein*.

Therefore, the rejection of claims 4 and 17-20 under 35 U.S.C. § 103(a) has been overcome.

III. Conclusion

It is respectfully urged that the subject application is patentable over *Himmelstein* and is now in condition for allowance.

The examiner is invited to call the undersigned at the below-listed telephone number if in the opinion of the examiner such a telephone conference would expedite or aid the prosecution and examination of this application.

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Respectfully submitted,

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